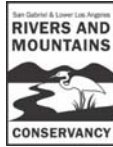




County of Los Angeles



San Gabriel and Lower Los
Angeles
Rivers and Mountains
Conservancy



SAN GABRIEL RIVER DISCOVERY CENTER AUTHORITY JOINT EXERCISE OF POWERS AGREEMENT

THIS JOINT EXERCISE OF POWERS AGREEMENT (the “Agreement”) is made and entered into, on this _____ day of _____ 20____ (the “Effective Date”) pursuant to Title 1, Division 7, Chapter 5, Article 1 (§6500 *et seq.*) of the California Government Code by and among the following public agency entities:

- A. The County of Los Angeles, a political subdivision of the State of California and a body corporate and politic pursuant to the California Government Code (Govt. §23000 *et seq.*) (hereinafter, the “County”); and
- B. The San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, a state agency organized within the California Resources Agency pursuant to the California Public Resources Code (Public Resources Code §32600 *et seq.*); (hereinafter, the “RMC”);
- C. The Upper San Gabriel Valley Municipal Water District, a California Municipal Water District organized under the California Water Code (Water Code §71000 *et seq.*) (hereinafter, the “Upper District”); and
- D. The Central Basin Municipal Water District, a California Municipal Water District organized under the California Water Code (Water Code §71000 *et seq.*) (hereinafter, the “Central Basin”).

For the purposes of this Agreement the County, the RMC and the Upper District may be referred to collectively as the “Parties” or individually as a “Party”.

WITNESSETH:

WHEREAS, the Parties are each “public agencies” within the meaning of Section 6500 of the California Government Code and authorized by their respective governing bodies to jointly exercise any power common to them pursuant to Title 1 (General), Division 7 (Miscellaneous), Chapter 5 (Joint Exercise of Powers) of the California Government Code (Govt. Code §6500 *et seq.*); and

WHEREAS, the Parties seek to undertake the construction of an educational facility under the aegis of a joint exercise of powers authority with the multi-faceted purpose of (1) increasing public knowledge of water-related environmental issues, including water conservation and natural habitat preservation and restoration; (2) increasing public awareness of the rich and vibrant history of the San Gabriel River the important role it has played in the social and economic development of the San Gabriel Valley; (3) raising capital for the construction of the educational facility; (4) raising support for the ongoing operation of the educational facility; and (5) procuring outside funding on behalf of the educational facility; and

WHEREAS, the Parties, on or about August 12, 2003 made and entered into an interim Cooperative Agreement for the initial planning and design of the proposed educational facility – a facility whose proposed name is the “San Gabriel River Discovery Center” (hereinafter, the “Discovery Center”); and

WHEREAS, the interim Cooperative Agreement succeeded in generating public interest the development of the Discovery Center while also enabling the Parties and other interested public and private organizations to develop a clearer vision of the Discovery Center’s purpose and focus; and

WHEREAS, the Parties now recognize the need to develop a flexible yet more clearly defined collective governance structure to proceed with the planning, development, construction and operation of the Discovery Center; and

WHEREAS, the Parties continue to welcome and encourage the active participation and involvement of other public agencies and private organizations (collectively, “Stakeholders”) in the planning, development, construction and operation of the Discovery Center; and

WHEREAS, the Parties also envision and welcome the addition of other public agencies as Parties to this Agreement; and

WHEREAS, the joint exercise of powers authority created by this Agreement shall serve as an efficient and inclusive vehicle for making the Discovery Center a reality.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES OF THE PARTIES HERETO, AND THE PROVISIONS, CONDITIONS AND TERMS PROVIDED FOR HEREIN, THE PARTIES AGREE AS FOLLOWS:

ARTICLE I PURPOSE

- 1.1 Creation of Authority: There is hereby created a joint exercise of powers authority to be known as the “San Gabriel River Discovery Center Authority” (hereinafter, the “Authority”). The Authority is formed by this Agreement pursuant to the provisions of Title One, Division 7, Chapter 5, Articles 1 and 2 of the California Government Code (Govt. Code §6500 *et seq.*). It is the intent of the Parties that the Authority shall be the entity responsible for administering this Agreement and shall be a public entity separate and apart from the Parties.
- 1.2 Purpose: The purpose of this Agreement, its attached exhibits and the joint exercise of powers authority it creates is as follows:

- (a) To increase public knowledge of water-related environmental issues, including water conservation and natural habitat preservation and restoration;
- (b) To increase public awareness of the rich and vibrant history of the San Gabriel River and the important role it has played in the social and economic development of the San Gabriel Valley;
- (c) To raise capital for the planning, design, development, construction and operation of the Discovery Center;
- (d) To generate public and institutional interest and support for the ongoing operation of the Discovery Center.
- (e) To harness the vision, insight and creativity of other civic-minded, public and private organizations for the development of exceptional, informative and inspiring educational displays and educational programs.
- (f) To identify, procure and secure reliable, long-term funding sources for the ongoing operation and maintenance of the Discovery Center.

ARTICLE II DEFINITIONS

2.1. Definitions: For the purposes of this Agreement, the following terms have shall have the meanings set forth below, unless otherwise indicated herein:

- (a) Authority: The term “Authority” means the San Gabriel River Discovery Center Authority, a joint exercise of powers authority created pursuant to this Agreement in accordance with Title 1, Division 7, Chapter 5 (Joint Exercise of Powers) of the California Government Code (Govt. Code §6500 *et seq.*)
- (b) Board: The term “Board” means the governing board of the San Gabriel River Discovery Center Authority. The Board consists of the representatives of each public agency Party to this Agreement in addition to one Stakeholder representative. .
- (c) Board Member: The term “Board Member” means any one of the occupants of the representational seats that make up the governing board of the San Gabriel River Discovery center. For the purposes of this Agreement, the plural term “Board Members” shall refer either to the membership of entire Board or to more than one Board Member, whichever meaning is reasonably appropriate given the context of its use. Upon the initial execution of this Agreement, the Board shall consist of a representative for the County, a representative for the RMC, a representative for the Upper District, a representative for the Central Basin, and a representative of the Stakeholders. The foregoing, however, shall not be interpreted to preclude the addition of new Board Members through the addition of new Parties to this Agreement pursuant to Section 10.5 (Admission of New Parties), below.
- (d) Brown Act: The term “Brown Act” means the Ralph M. Brown Act codified under the

California Government Code. (Govt. Code §54950 *et seq.*)

(e)

- Discovery Center: The term “Discovery Center” means the **San Gabriel River Discovery Center**, an interactive educational facility dedicated to: (1) increasing public knowledge of water-related environmental issues, including water conservation and natural habitat preservation; (2) increasing public awareness of the rich and vibrant history of the San Gabriel River and the important role it has played in the social and economic development of the San Gabriel Valley; (3) raising capital for the construction of the educational facility; (4) raising support for the ongoing operation of the educational facility; and (5) procuring outside funding on behalf of the educational facility
- (f) May: The word “may,” as used herein, refers to matters that are discretionary. The phrase “may not,” however refers to matters that are prohibited.
- (g) Public Agency Board Member: The term “Public Agency Board Member” refers to those Board Members representing the any public agency Party to this Agreement. The plural term “Public Agency Board Members” shall be a collective reference to all of the Public Agency Board Members or a grouping consisting of more than one Public Agency Board Member, whichever is reasonably appropriate given the context.
- (h) Shall and Must: The words “shall” and “must,” as used herein, refer to matters that are mandatory.
- (i) Stakeholder: The term “Stakeholder” means any public entity or private organization, whether non-profit or for-profit whose insight and expertise are intended to assist the Authority in the planning, design, construction, operation and maintenance of the Discovery Center. No entity may be considered a Stakeholder, unless and until such entity is approved to become a Stakeholder by unanimous vote of the Public Agency Board Members and is made a signatory to the “Stakeholders Agreement,” included as Exhibit “B.” An entity’s status as a Stakeholder may be revoked by a two-thirds (2/3) majority vote of the Public Agency Board Members, with or without cause.
- (j) Stakeholder Agreement: That certain written agreement by which various public agencies and non-profit organizations may become Stakeholders and agree to be bound by the terms, conditions, provisions, duties and obligations set forth therein.

ARTICLE III POWERS OF AUTHORITY

- 3.1. Powers: Pursuant to Sections 6503.5 and 6506 of the California Government Code, responsibility for the administration of this Agreement and the Discovery Center shall rest with the Authority through its Board. In the name of the Authority, the Board shall exercise the powers common to the Parties which include the power:
- (a) To make and enter into contracts, leases and other agreements for the purpose of planning, designing, constructing, operating, funding and/or maintaining the Discovery Center;
- (b) To hire employees and retain agents, consultants, independent contractors and other service providers for the purpose of planning, designing, constructing, operating, funding and/or

maintaining the Discovery Center;

- (c) To acquire, contract for, construct, manage, maintain, or operate any building or other facility necessary for the construction, operation and/or maintenance of the Discovery Center;
- (d) To incur debt, liabilities or obligations in the furtherance of the planning, development, design, construction, operation and ongoing maintenance of the Discovery Center;
- (e) To finance any capital acquisition or improvement or the maintenance, servicing, and operation of any improvement, facility, park or open space land;
- (f) To acquire, hold or dispose of property by lease, lease purchase, purchase or sale;
- (g) To apply for and execute appropriate grants or contracts for the purpose of financing the planning, design, construction, operating and/or maintenance of the Discovery Center;;
- (h) To sue or be sued in its own name, provided that the Authority shall not commence or intervene in any lawsuit without the approval of its Board;
- (i) To raise revenue, to levy and collect rates, fees and charges, and to issue bonds, notes, warrants and other evidences of indebtedness to finance the costs and expenses incidental to the purpose of the Authority;
- (j) To set the operational programs of the Discovery Center;
- (k) To contract with the federal government of the United States of America, the State of California and any other governmental entity;
- (l) To contract with any public agency (including the County, the Upper District or the RMC) or any private entity for the routine, day-to-day operation and maintenance of the Discovery Center facility;
- (m) To create, organize and dissolve subcommittees in its sole and absolute discretion;
- (n) To invest surplus funds pursuant to Government Code Section 6509.5 or other applicable laws of the State of California;
- (o) To undertake in cooperation with any other public or private agency or organization projects connected with or related to the activities and mission of the Discovery Center;
- (p) To develop and participate in the creation of a foundation whose purpose shall be to solicit and secure funding for the Discovery Center and its activities and to promote and sponsor the purpose and objectives of this Agreement, the Authority and the Discovery Center.
- (q) To exercise powers common to the Parties, including but not limited to all the powers specified in the Joint Exercise of Powers Act, codified under Chapter 5 of Division 7 of Title 1 of the California Government Code (Govt. Code §6500 *et seq.*) for the purposes of implementing this

Agreement.

- 3.2 The foregoing powers are subject to the restrictions upon the manner of exercising the powers as imposed upon the Upper District as provided in, and for the purposes of, Government Code §6509.
- 3.3 The Authority shall have no power to acquire property by eminent domain.

ARTICLE IV. GOVERNING BOARD

- 4.1. Organization: The Authority shall be governed by the Board which shall consist of the Board Members, each of which shall possess one (1) vote. Upon the initial execution of this Agreement, the Board seats shall be allocated as follows:

- (a) County Representative: One (1) of the Board seats shall be allocated to a person appointed by the County in its sole and absolute discretion. Such person shall serve at the pleasure of the County and may be removed by the County at any time with or without cause.
- (b) RMC Representative: One (1) of the Board seats shall be allocated to a person appointed by the RMC in its sole and absolute discretion. Such person shall serve at the pleasure of the RMC and may be removed by the RMC at any time with or without cause.
- (c) Upper District Representative: One (1) of the Board seats shall be allocated to a person appointed by the Upper District in its sole and absolute discretion. Such person shall serve at the pleasure of the Upper District and may be removed by the Upper District at any time with or without cause.
- (d) Central Basin Representative: One (1) of the Board seats shall be allocated to a person appointed by the Central Basin in its sole and absolute discretion. Such person shall serve at the pleasure of the Central Basin and may be removed by the Central Basin at any time with or without cause.

Stakeholder Representative: One (1) of the Board seats shall be allocated to the Chair of the Stakeholder Advisory Committee, a person selected by the Stakeholders and confirmed by majority vote of the Public Agency Board Members to serve on the Board.

The initial allocation of Board seats to the County, the RMC and the Upper District shall not be interpreted to preclude future additions to the total number of Board Members through the addition of new Parties to this Agreement pursuant to Section 10.5 (Admission of New Parties).

- 4.2. Meetings: The Board shall fix the hour, date and place for its regular meetings. Special and/or Adjourned meetings may be held as provided for under the Brown Act. All meetings of the Board shall be called, held and conducted in accordance with the provisions of the Brown Act and pursuant to such other rules adopted by the Board that are consistent with the Brown Act. The Board shall keep, or cause to be kept, the minutes of the Board meetings and as soon as reasonably possible after each meeting, forward a copy of the minutes to each member of the Board. All Board Members shall maintain the confidentiality of any and all closed session meetings of the Board to the extent

required by law.

- 4.3. Quorum and Procedure: A simple majority of the full membership of the Board shall constitute the minimum quorum necessary for the transaction of Board business. The affirmative vote of a majority of those members who participate in a vote on any given matter shall constitute an action of the Board. A Board Member participates in a vote when he or she **(a)** is present at a meeting of the Board; **(b)** is not disqualified from voting on a particular matter by operation of law, including without limitation the California Political Reform Act (Govt. Code §81000 *et seq.*); and **(c)** votes “Yes”, “No” or “Abstains” while seated at the dais with the other participating Board Members. By resolution, the Board may adopt Robert’s Rules of Order, Newly Revised, to set forth the governing rules for the conduct of Board meetings, but only to the extent such rules are not in conflict with the Brown Act or any other applicable laws or with the provisions of this Agreement.
- 4.4. Compensation: Board Members shall serve without compensation from the Authority. The foregoing notwithstanding, each Party with a representative on the Board may elect to compensate its representative in compliance with all applicable laws of the State of California.
- 4.5. Notices: The Board, by resolution, shall designate a specific location at which it will receive notices, correspondence, and other communications and shall designate one of its employees or agents as its “officer” for the purpose of receiving service of process on behalf of the Authority.
- 4.6. Officers: At the first (1st) regular meeting of the Board, and annually thereafter on the first (1st) Board meeting held in the month of **January** of each year, the Board Members shall nominate and elect from among themselves a Board President, and Vice-President.. In the event the elected President, or Vice-President ceases to be a Board Member or otherwise vacates the Board office, the resulting vacancy shall be filled at the next regular meeting of the Board held after such vacancy occurs. If the President is absent from a meeting of the Board, the Vice-President shall act as President. The President, or in his or her absence the Vice-President, shall preside over all meetings of the Board.

ARTICLE V. STATUTORY NOTICE REQUIREMENTS

- 5.1. Notice Upon Creation / Amendment of Agreement: Within thirty (30) days after the effective date of this Agreement or any amendment thereto (whichever the case may be), the Board shall cause a notice of such Agreement or such amendment to be prepared and filed with the office of the Secretary of State for the State of California. Pursuant to Government Code Section 6503.5, such notice shall contain:
 - (a) The name of each of the Parties and any other public agencies which may later become parties to this Agreement;
 - (b) The date upon which the Agreement became effective or the effective date of any amendment thereto;
 - (c) A statement of the purpose of the Agreement;

(d) In the case of an amendment to this Agreement, a description of the amendment.

ARTICLE VI. ADMINISTRATION

- 6.1 Executive Officer: The Authority and the Discovery Center shall be administered in accordance with the policies and directives of the Board. The Board may appoint, hire or otherwise retain a person to serve as the Authority's Executive Officer, who shall manage operations of the Discovery Center. The Executive Officer shall perform the functions set forth under §6505.1 of the California Government Code and such other functions as the Board may prescribe by resolution.
- 6.2 Legal Counsel: The Authority may use counsel from its member agencies, or it may retain independent legal Counsel.
- 6.3 Use of Party Personnel: To implement this Agreement, the Parties hereto may loan employees to the Authority or in the alternative, the Authority may enter into a separate contract with any of the Parties for the use of their personnel in the day-to-day operation and/or maintenance of the Discovery Center facility or in providing administrative support to the Authority and the Board. The Executive Officer shall be responsible for the overall supervision of all personnel loaned to the Authority or otherwise working for the Authority pursuant to a separate contract, subject to Board oversight and subject to the terms of the separate contract entered into between the Authority and one of the Parties.
- 6.4 Hiring of Personnel: To achieve the purposes of this Agreement, the Authority may, from time to time, establish positions and fix salaries of employees of the Authority. The Executive Officer shall be responsible for the overall supervision of such employees, subject to oversight by the Board.

ARTICLE VII. FISCAL CONTROLS AND ADMINISTRATION

- 7.1.1.1. Fiscal Year: The fiscal year of the Authority shall commence on the first (1st) day of July of each year..
- 7.2 Contributions of the Parties: To the extent funds are legally available therefore; the Parties are hereby authorized to make payments and contributions of public funds, as provided in §6504 of the California Government Code.
- 7.3 Responsibility for Funds and Disbursements: The Authority shall be strictly accountable for all funds, receipts, and disbursements. The Authority shall adopt an annual budget, in a form approved by the Parties, which budget shall be submitted to the Board for approval. Public funds may not be disbursed by the Authority except pursuant to a budget which has been adopted by the Board, and all receipts and disbursements shall be in strict conformance with the adopted and approved budget.
- 7.4 Designation of Treasurer-Depository of Authority Funds: Consistent with Section 6505.5 of the California Government Code, the Treasurer of the Upper District shall act as the treasurer of the Authority (hereinafter, the "Treasurer") and shall be the designated depository of the Authority's funds and have custody of all the money of the Authority, from whatever source. Acting in such

capacity the Treasurer shall be responsible for the following:

- (a) Receive and receipt all money of the Authority and place such money in the Authority treasury to the credit of the Authority;
- (b) Be responsible, upon his or her official bond, for the safekeeping and disbursement of all Authority money so held;
- (c) Pay, when due, out of money of the Authority held by him or her, all sums payable on outstanding bonds and coupons of the Authority;
- (d) Pay any other sums due from the Authority from Authority money, or any portion thereof, only upon warrants of the public officer performing the functions of Auditor-Controller pursuant to this Agreement; and
- (e) Verify and report in writing on the first day of July, October, January and April of each year to the Authority Board and to the Parties to the Agreement, the amount of money he or she holds for the Authority, the amount of receipts since his or her last report, and the amount paid out since his or her last report.

Upon completion of the construction of the Discovery Center, the Parties shall re-designate the Treasurer in compliance with applicable law.

7.5 Designation of Authority Auditor-Controller / Duties of Auditor-Controller: Pursuant to Section 6505.5 of the California Government Code, an officer or employee of the Upper District shall serve as Auditor-Controller for the Authority. Any person designated to serve as Auditor-Controller must shall posses the education, training, skills and experience necessary to perform the duties of Auditor-Controller and must possess any and all required licenses and certifications to perform such work. Upon completion of the construction of the Discovery Center, the Parties shall re-designate the Party whose officer or employee shall serve as the Authority's Auditor-Control or such other person who may lawfully act as Auditor-Controller.

7.6. Duties of Auditor-Controller: Pursuant to Sections 6505 and 6505.5 of the California Government Code, the Auditor-Controller shall do the following:

- (a) Draw warrants to pay demands against the Authority when the demands have been approved by the Treasurer and the Executive Director acting under the supervision of the Board;
- (b) Make or contract with a certified public accountant or a public accountant to make an annual audit of the accounts and records of the Authority, except that the Auditor-Controller need not make or contract for the audit in any case where an annual audit of the accounts and records of the Authority by a certified public accountant or public accountant is otherwise made by an agency of the state or the United States only as to those accounts and records which are directly subject to such a federal or state audit.

In each case, the minimum requirements of the audit shall be those prescribed by the Controller for special districts under Section 26909 of the California Government Code and shall conform to

generally- accepted auditing standards. Pursuant to Section 6505 of the California Government Code, when an audit of an account and records is made by a certified public accountant or public accountant, a report thereof shall be filed as public records with each of the contracting Parties to the Agreement and also with the County auditor and shall be sent to any public agency or person in California that submits a written request to the joint powers authority. Pursuant to Section 6505 of the California Government Code, such report shall be filed within twelve (12) months of the end of the fiscal year or years under examination. Any costs of the audit, including contracts with the certified public account or public accountant, in making the audit pursuant to Government Code Section 6505 shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for the purpose. Pursuant to Government Code Section 6505, the Authority Board, by unanimous vote, may replace the annual special audit with an audit covering a two-year period. Pursuant to Government Code Section 6505, the Authority shall be exempt from the requirement of an annual audit, if and only if, the financial statements are audited by the State Controller as a way of satisfying federal audit requirements.

- 7.7 Budget: Within sixty (60) days after the first meeting of the Board and annually on the 1st day of July thereafter, a general budget for the balance of the fiscal year and the ensuing fiscal year shall be adopted. The initial general budget and each succeeding general budget shall include without limitation the following: (a) the general administrative expenses of the Authority to be incurred during the period covered by the general budget; (b) the allocation among the Parties of the amounts necessary to cover the general budget expenditures; and (c) general operation and maintenance. Prior to the first full fiscal year of the Authority's operation, and for each successive year, the Board shall approve a preliminary general budget no later than the 1st day of April, for the next fiscal year. The Board shall adopt a final budget no later than July 1 of each year. A copy of the preliminary budget when approved and a copy of the final general budget when adopted shall be filed with each Party. The Parties acknowledge and agree that each shall be responsible for contributing to each annual budget its fair share for the annual maintenance and operation costs of the Discovery Center.
- 7.8 Books and Accounts: Full books and accounts shall be maintained for the Authority in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for like public entities. In particular, the Authority's Treasurer and Auditor-Controller shall comply strictly with Title 1, Division 7, Chapter 5 of the California Government Code. (Govt. Code §6500 *et seq.*). The Treasurer of the Authority may invest Authority funds in accordance with applicable laws and with the prior consent of the Board. All interest collected on the Authority's funds shall be accounted for and posted to the account of such funds.
- 7.9 Audit: The records and accounts of the Authority shall be audited annually, in compliance with applicable law, and copies of the audit reports shall be filed with the County Auditor, the State Controller, and each of the Parties within one hundred twenty (120) days of the end of the fiscal year under examination. The audit shall be conducted in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP") and shall be accompanied by a financial/compliance opinion of an independent certified public accountant.
- 7.10 Inspection of Records and Audit: At any time during the normal business hours, the Authority shall make available to the Parties for examination, all of the data and records with respect to the Authority and all matters covered by this Agreement. The Authority shall permit the Parties to make audits of all invoices, materials, payrolls, records of personnel, and other data and media relating to

the matters covered by this Agreement, at the cost and expense of the Party seeking the audit and inspection. Except as otherwise required or authorized by law, the Authority shall maintain such data and records for a period of not less than three (3) years following the submission of each year's annual audit and financial report.

ARTICLE VIII. BOND

- 8.1. Bonding: Each Party, the Executive Officer, and Treasurer shall file an official bond with the Authority. When deemed appropriate by the Authority, a master bond may be utilized as referred to in Government Code Section 1481, and the bond shall also comply with the requirements of Title 1, Division 4, Chapter 3 of the California Government Code, with those sections being deemed applicable to the Authority. The bond shall be in the initial amount of not less than Fifty Thousand Dollars (\$50,000.00) or such other sum as the Board may deem reasonably appropriate at some later point in time. The premium shall be paid by the Authority.

ARTICLE IX PRIVILEGES AND IMMUNITIES

- 9.1. Privileges and Immunities: Pursuant to Government Code Section 6513, all of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, workers' compensation, and other benefits which apply to the activity of officers, agents or employees of any Party when performing its respective functions within the territorial limits of its respective public agency, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties extraterritorially under the provisions of Article 1 (Joint Powers Agreements) of Chapter 5 of Division 7 of the California Government Code.

ARTICLE X TERM OF AGREEMENT, ADMISSION AND WITHDRAWAL

- 10.1 Term of Agreement: This Agreement and the Authority created hereunder shall continue until terminated. No termination shall be effective until all revenue bonds and other forms of indebtedness issued pursuant hereto, and the interest thereon, shall have been paid or adequate provisions for such payment shall have been made in accordance with any resolution of the authority authorizing the issuance thereto.
- 10.2 Winding-Up Upon Termination of Agreement: Upon termination of this Agreement, the Authority forthwith shall wind up its affairs, including discharging all of its outstanding legal obligations. Personal property and funds remaining in the Authority shall be returned to the Party from which the funds or personal property were obtained, except as mutually agreed by the Parties. Except as otherwise provided under Section 10.6(c), all real property, if any, owned by the Authority shall be conveyed as the Authority shall determine, and if no determination is made, then such property shall be deemed to be conveyed to the Parties, in equal interests, as tenants in common.
- 10.3 Dissolution of Authority: Upon the effective date of the withdrawal of all the Parties from this Agreement, this Agreement shall be deemed terminated. As long as two or more Parties remain Parties to this Agreement, this Agreement shall remain in full force and effect. The Agreement may also be terminated by unanimous written agreement of the Parties.

- (a) Preconstruction Termination: If the Parties terminate the Agreement prior to the commencement of construction of the Discovery Center, each Party shall receive the contributed to the Authority, subject to the payment of all of the Authority's outstanding debts and the discharge of all other outstanding liabilities.
 - (b) Post-Construction Termination: If the Agreement is terminated following the construction of the Discovery Center, the facility and all attached fixtures shall become the property of the County. Each Party shall also receive its proportionate share of the Authority's residual monetary funds following payment of all of the Authority's outstanding debts and the discharge of any enforceable liabilities. The foregoing notwithstanding, if the County withdraws from the Agreement, the County agrees that the Authority shall maintain the exclusive authority to operate and maintain the Discovery Center facility without disruption or interference on the part of the County until such time as the Agreement is terminated or until such time as County ceases to maintain possession and control over the real property upon which the Discovery Center is situated, whichever occurs first.
 - (c) Modification of Dissolution Terms: The Parties by mutual written agreement may modify the manner in which the Authority is terminated and the manner in which its assets shall be distributed.
- 10.4 Withdrawal of Parties: Any Party may withdraw as a Party to this Agreement any time provided the withdrawing Party provides all other Parties with one-hundred and eighty (180) days prior written notice of its intent to withdraw from the Agreement and the Authority. The foregoing notwithstanding, a withdrawing Party shall continue to be responsible for any and all outstanding financial obligations, debts, liabilities or other financial commitments incurred or pledged by the withdrawing Party during the fiscal year in which the withdrawal occurs. A withdrawing Party shall also continue to be responsible for any and all long-term financial commitment made by the Party, until such obligations are either discharged or arranged to the satisfaction of the remaining Parties.
- 10.5 Admission of New Parties: Additional "public agencies" within the meaning of Section 6500 of the California Government Code may become a Party to this Agreement by resolution of the governing boards of each of the then existing Parties and majority approval of the Public Agency Board Members. Notwithstanding the passage of resolutions in support of membership by the governing boards of each Party, the admission of new Parties shall also be conditioned upon such additional terms and conditions provided by the Board by way of a Participation Agreement between the Authority and the newly admitted Party. As an additional condition to admission all new Parties shall be required to become signatories to this Agreement by way of an addendum executed by all of the Parties.
- 10.6 Acknowledgment and Acceptance of Fundamental Responsibilities: Irrespective of any other provision contained in this Agreement, all Parties acknowledge, understand and agree to the following:
- (a) In executing this Agreement each is committed to dedicating significant assets which are to be utilized in the furtherance of the central objectives of this Agreement, namely, **(1)** the planning, design and construction of the Discovery Center at Whittier Narrows; **(2)** the securing of

- reliable long term funding sources for the operation and maintenance of the Discovery Center as well as for the development of exhibits and programs central to the Discovery Center's educational and informational purpose; (3) the creation of a stable, operational governance structure for the planning, design, development, construction, operation, maintenance and funding of the Discovery Center; and (4) the creation of a reliable administrative support structure to oversee the efficient and creative operation of the Discovery Center; and
- (b) The "significant assets" to be dedicated by a Party may include any or all of the following: (1) monetary contributions; (2) service contributions; (3) the dedication of personal property; or (4) the dedication of real property, including the real property at Whittier Narrows upon which the Discovery Center shall be constructed.
- (c) Except otherwise prohibited by law and subject to any approvals required by the United States Army Corps of Engineers, County's agreement to assign its interests in the land and/or use rights of to the real property upon which the Discovery Center shall be constructed satisfies the County's obligation to contribute "significant assets."

ARTICLE XI. LIABILITIES

- 11.1 Tort Liabilities: The tort liability of the Authority, its employees and of all members of the Board, and the Executive Officer and employees of the Parties to this Agreement, who may be loaned to the Authority, shall be controlled by the provisions of Division 3.6 of the California Government Code (Govt. Code §810 *et seq.*). The provisions of Division 3.6 of the California Government Code relating to indemnification of public employees and the defense of actions arising out of any act or omission occurring in the scope of their employment, shall apply to all Board Members, the Authority's officers, agents and employees and elected or appointed officials, officers and employees of each of the Parties.
- 11.2 Contractual Obligations: In recognition of Tucker Land Co. v. State of California (2002) 94 Cal.App.4th 1191, no debt, liability, contract, obligation, employee, or agent of the Authority or the Board, shall be or constitute thereby, a debt, liability, contract, obligation, employee, or agent of the County, the RMC, the Upper District or any of them. Neither the Authority nor the Board shall have the power or authority to bind the County, the RMC, the Upper District or any of them, to any debt, liability, contract, or obligation, or to employ any person on behalf of the Parties, or any of them. The foregoing, shall not relieve each Party from fulfilling or otherwise satisfying any funding pledges it makes as part of the Authority's annual budget.

ARTICLE XII. INSURANCE

- 12.1. Insurance Specifications: As more specifically set forth in the in the insurance specifications attached and incorporated hereto as *Exhibit "A"*, the Authority shall procure and maintain for the duration of this Agreement (or for whatever duration is otherwise required under this Article) insurance against claims for damage to property or injuries to persons (including without limitation

bodily injury and person injury) which may arise from, or occur in connection with, the performance of this Agreement by the Authority or the Authority's officials, officers, employees, representatives, agents and volunteers. The Board by resolution may from time-to-time amend or modify the insurance requirements set forth under *Exhibit "A"*.

ARTICLE XIII. CONTROVERSIES

- 13.1. Disputes and Defaults: In the event (a) of any reasonable good faith dispute or disagreement as to the interpretation, meaning or effect of any provision of this Agreement; or (b) any Party fails to perform or adhere to any duty, obligation, term, condition or provision of this Agreement, a putative default shall have occurred. Except as otherwise provided in this Agreement, if a putative default remains uncured or unresolved by a Party alleged to be in default for a period in excess of sixty (60) calendar days from the date upon which the Party alleging default issues notice of default (hereinafter, a "Default Notice") to the allegedly defaulting Party, the Party upon whom the Default Notice is issued shall be deemed in "Default." In the event of such Default, the non-Defaulting Party may pursue any and all remedies available to it at law or in equity, provided however that the initiation of any legal proceedings shall be preceded by mediation and/or binding arbitration. Where a Default arises out of a dispute or disagreement as to the interpretation, meaning or effect of any provision of this Agreement, during the 60-day period referenced, above, shall with diligence and in good faith, meet and confer to identify and articulate the source of the dispute or disagreement and offer a written explanation to the opposing Party setting forth the grounds and basis for that Party's particular interpretation of provision at issue. The Parties agree that the language of any provision shall be interpreted according to its plain wording, unless such interpretation would lead to an absurd or illegal outcome. The Parties further agree that a dispute or disagreement as to the meaning or effect of any provision is not made in "good faith" if the wording is susceptible to only one reasonable meaning.
- 13.2. Legal Costs: The Parties agree that they shall each be responsible for the respective attorneys fees, expert fees, court fees and other litigation costs, regardless of whether a Party ultimately prevails through legal action or any other manner of proceeding arising out of a Default. The Parties further agree that they shall each be responsible for a *pro rata* share of the cost of any mediator or arbitrator presiding over any mediation or arbitration proceedings whether or not such mediation or arbitration proceedings are undertaken voluntarily by the Parties or on the order or directive of a court of competent jurisdiction. The mediator or arbitrator shall be a person mutually agreed to by the Parties.
- 13.2 Per Se Defaults: A Party shall be in Default per se, where the Party fails to contribute or pay when due, any sums committed or pledged by the Party pursuant to any budget adopted under the provisions of this Agreement. In addition to the rights and remedies accorded under Section 13.1, above, in the event a Party is in Default on the grounds stated in this Section 13.3, the Public Agency Members representing the Parties that are not in Default, may by unanimous vote, expel the defaulting Party from further participation under this Agreement, including revocation of Party status and the right to appoint a representative to the Board. Consistent with Section 10.4, above, a Party so expelled from the Authority and this Agreement shall continue to be responsible for any and all

outstanding financial obligations, debts, liabilities or other financial commitments incurred or pledged by the withdrawing Party during the fiscal year in which the withdrawal occurs. A withdrawing Party shall also continue to be responsible for any and all long-term financial commitment, until such obligations are either discharged or arranged to the satisfaction of the remaining Parties.

**ARTICLE XIV.
MISCELLANEOUS**

- 14.1. Notices: All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective Parties may provide in writing for this purpose:

COUNTY:

County of Los Angeles
Department of Parks & Recreation
433 S. Vermont Ave.
Los Angeles, CA 90020-1975

Phone: (213) 738-2961
Fax: (213) 738-2961

RMC:

San Gabriel & Lower Los Angeles Rivers and
Mountains Conservancy
900 S. Freemont Ave
Annex Bldg., 2nd Floor
Alhambra, CA 91802-1460

Phone: (626) 458-4315
Fax: (626) 979-5363

UPPER DISTRICT:

Upper San Gabriel Valley Municipal Water District
11310 Valley Boulevard
El Monte, California 91731
Attn: General Manager

Phone: (626) 443-2297
Fax: (626) 443-0617

CENTRAL BASIN

Central Basin Municipal Water District
17140 S. Avalon Blvd., Suite 210
Carson, CA 90746-1296

Phone: (310) 217-2411
Fax: (310) 217-2414

Such notice shall be deemed effective when personally delivered or successfully transmitted by facsimile as evidenced by a fax confirmation slip or, when mailed, forty-eight (48) hours after deposit with the United States Postal Service, first class postage prepared and addressed to the Party at its applicable address.

- 14.2. Captions and Headings: All captions and headings contained herein are for convenience only, and are not to be construed as governing or modifying the language of the Agreement.
- 14.3. Governing Law: This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, shall be in the Los Angeles County Superior Court of the State of California. If applicable law requires that all or part of any such litigation be tried in federal court, venue, without exception, shall be in the Central District of California located in the City of Los Angeles, California.
- 14.4. Modification: This Agreement may be amended from time-to-time in writing by unanimous action of the Parties; provided however, that any such amendment shall take into consideration the holders of any revenue bonds or other forms of indebtedness which are outstanding in accordance with any resolution of the authority authorizing the issuance thereof. Upon amendment of this Agreement, the Authority shall also comply with the statutory notice requirements referenced in Article V, above.
- 14.5. Binding Effect: This Agreement shall be binding upon and shall inure to the benefit of the successors of the Parties.
- 14.6. Severance Clause: If any section, subsection, sentence, clause, or phrase of this Agreement, or the application thereof, to any of the Parties for any other person or circumstances, is for any reason held invalid, the validity of the remainder of the Agreement, or the application of such provision to the other Parties, or to any other person or circumstances, shall not be affected thereby. Each of the Parties hereby declares that it would have entered into this Agreement and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, phrases, or the application thereof, to any Party or any other person or circumstance be held invalid.
- 14.7. Non-Assignment: The Parties shall not assign any rights or obligations under this Agreement without the written consent of the Authority Board.
- 14.8. Authorization to Execute: The officers and/or officials signing this Agreement on behalf of their respective Parties warrant and represent that they have been duly authorized by the governing body of the Party they represent to execute this Agreement on behalf of the Party and bind the same to all the terms, conditions, duties, provisions and obligations contained herein.
- 14.9. Counterparts: This Agreement may be signed in counterparts. The "Effective Date" of this Agreement shall be the date upon which the County, the RMC and Upper District have all executed this Agreement and shall be the first date to appear above.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year hereinafter indicated.

COUNTY OF LOS ANGELES:

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

By: _____

Name: _____

Title: _____

Date: _____

**SAN GABRIEL AND LOWER LOS ANGELES
RIVERS & MOUNTAINS CONSERVANCY:**

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

By: _____

Name: _____

Title: _____

Date: _____

**UPPPER SAN GABRIEL VALLEY
MUNICIPAL WATER DISTRICT:**

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

By: _____

Name: _____

Title: _____

Date: _____

**CENTRAL BASIN MUNICIPAL WATER
DISTRICT:**

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT "A"
to
SAN GABRIEL RIVER DISCOVERY CENTER AUTHORITY
JOINT EXERCISE OF POWERS AGREEMENT

INSURANCE SPECIFICATIONS
(As of 2004)

A. Required Coverages: For the purposes generally stated under Article XII, Section 12.1, of that certain San Gabriel River Discovery Center Authority Joint Exercise of Powers Agreement executed _____, the Authority shall procure and maintain the following insurance coverage, at its own expense, for the duration for this Agreement or any extended period set forth herein:

(1) Commercial General Liability Insurance: Authority shall procure and maintain Commercial General Liability Insurance ("CGL Coverage") as broad as Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001). Such CGL Coverage shall have minimum limits of no less than Five Million Dollars (\$5,000,000.00) per occurrence and a general aggregate limit of Ten Million Dollars (\$10,000,000.00). The CGL Coverage and shall include operations, products and completed operations.

(a) Required Endorsements: Utilizing endorsement form CG 20 10 11 85, all CGL Coverage shall be endorsed to name each of the Parties and their respective elected or appointed officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of work or operations performed by or on behalf of Authority; and automobiles owned, leased, hired or borrowed by Authority. CGL Coverage shall include: a broad form property damage liability endorsement (including completed operations); a contractual liability endorsement naming the Agreement; and a cross liability endorsement. CGL Coverage shall also contain or be endorsed to contain the following provisions:

- i. Authority's insurance shall be primary insurance as respects the Parties or their respective elected or appointed officials, officers, employees, agents and volunteers. Any insurance or self-insurance maintained by County, RMC or Upper District or their respective elected or appointed officials, officers, employees, agents and volunteers shall be excess of Authority's insurance and shall not contribute with it; and
- ii. There will be no cancellation, suspension, reduction or voiding of coverage without **thirty (30)** calendar days prior written notice by certified mail, return receipt requested, to each of the Parties. If any reduction of coverage occurs, Authority shall furnish the Parties with information regarding such reduction at Authority's earliest possible opportunity but in no case later than five (5) calendar days after Authority is notified of the change in coverage. Any failure to comply

with reporting or other provisions of the policy, including breaches of warrants, shall not affect the coverage provided to the Parties or their respective elected or appointed officials, officers, employees, agents or volunteers; and

- (b) Prohibited Endorsements: CGL Coverage shall not contain or be endorsed to contain (a) cross suits exclusions; (b) prior completed work exclusions; or (c) a contractual liability limitation, including without limitation, any endorsement issued on form CG 21 39.

- (2) Automobile Liability Insurance: Authority shall procure and maintain Automobile Liability Insurance as broad as Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto). Such Automobile Liability Insurance shall have minimum limits of no less than Two Million Dollars (\$2,000,000.00) per accident for bodily injury and property damage.

- (a) Required Endorsements: The Automobile Liability policy shall be endorsed to delete the Pollution and/or the Asbestos exclusion and add the Motor Carrier Act endorsement (MCS-90), TL 1005, TL 1007 and/or other endorsements required by federal or state authorities. The automobile liability policy shall also contain or be endorsed to contain the following provisions:

- i. The Parties and their respective elected or appointed officials, officers, employees, agents and volunteers as additional insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of Authority; and with respect to liability arising out of work or operations performed by or on behalf of Authority including materials, parts or equipment furnished in connection with such work or operations; and
- ii. Authority's insurance shall be primary insurance as respects the Parties or their respective elected or appointed officials, officers, employees, agents and volunteers. Any insurance or self-insurance maintained by the Parties or their respective elected or appointed officials, officers, employees, agents and volunteers shall be excess of Authority's insurance and shall not contribute with it; and
- iii. There will be no cancellation, suspension, reduction or voiding of coverage without **thirty (30)** calendar days prior written notice by certified mail, return receipt requested, to each of the Parties. If any reduction of coverage occurs, Authority shall furnish the Parties with information regarding such reduction at Authority's earliest possible opportunity but in no case later than five (5) calendar days after Authority is notified of the change in coverage. Any failure to comply with reporting or other provisions of the policy, including breaches of warrants, shall not affect the coverage provided to the Parties or their respective elected or appointed officials, officers, employees, agents or

volunteers.

- (3) Workers' Compensation Insurance/ Employer's Liability: Authority shall procure and maintain Workers' Compensation Insurance affording coverage at least as broad as that required by the State of California with Employer's Liability Insurance with minimum limits of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. The Authority shall procure Workers' Compensation Insurance from a carrier with an A.M. Best Rating of A:VII, unless otherwise authorized by majority vote of the Board. The Workers' Compensation insurer shall also agree to waive all rights of subrogation against the Parties and their respective elected and appointed officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy. Workers' Compensation insurance shall also provide or be endorsed to provide: There will be no cancellation, suspension, reduction or voiding of coverage without **thirty (30)** calendar days prior written notice by certified mail, return receipt requested, to City. If any reduction of coverage occurs, Authority shall furnish the Parties with information regarding such reduction at Authority's earliest possible opportunity and in no case later than five (5) calendar days after Authority is notified of the change in coverage. Any failure to comply with reporting or other provisions of the policy, including breaches of warrants, shall not affect the coverage provided to City or City's elected or appointed officials, officers, employees, agents or volunteers.
- (4) Errors and Omissions Liability Insurance: For the full term of this Agreement and for a period of five (5) years thereafter, Authority shall procure and maintain on behalf of the Board, Errors and Omissions Liability Insurance appropriate. Such coverage shall have minimum limits of no less than Five Million Dollars (\$5,000,000.00) per occurrence and shall be endorsed to include contractual liability. Errors and Omissions Liability Insurance shall also provide or be endorsed to provide:
- (a) There will be no cancellation, suspension, reduction or voiding of coverage **thirty (30)** calendar days prior written notice by certified mail, return receipt requested, to City. If any reduction of coverage occurs, Authority shall furnish the Parties with information regarding such reduction at Authority's earliest possible opportunity, but in no case later than five (5) calendar days after Authority is notified of the change in coverage; and
 - (b) Authority's insurance shall be primary insurance as respects to the Parties or their respective elected or appointed officials, officers, employees, agents and volunteers. Any insurance or self-insurance maintained by the Parties or their respective elected or appointed officials, officers, employees, agents and volunteers shall be excess of Authority's insurance and shall not contribute with it; and
- B. Requisite Carrier Profile: All varieties of insurance required under this Agreement shall be procured from insurers admitted in the State of California and authorized to issue policies directly to California insureds. Except as otherwise provided elsewhere under this Article XII (Insurance), all required insurance shall be procured from insurers with an A.M. Best's rating of no less than A:VII.

- C. Separation of Insureds: All varieties of insurance required under this Article shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the Parties or their respective elected or appointed officials, officers, employees, agents or volunteers.
- D. Waiver of Subrogation: No policy of insurance or endorsement thereto that is procured by Authority pursuant to this Article XII (Insurance) shall allow (either expressly or by the omission of any express prohibition) any insurance carrier to seek subrogation from the Parties or their respective elected or appointed officials, officers, employees, agents or volunteers for any sums paid by the insurance carrier on behalf of Authority or its officials, officers, employees, agents or volunteers. All policies of insurance required under this Article XII (Insurance) shall contain provisions waiving or shall be endorsed to waive any subrogation rights or other like rights of recovery by the insurance carrier against the Parties and their respective elected or appointed officials, officers, employees, agents and volunteers for any sums paid on behalf Authority or Authority's officials, officers, employees, agents or volunteers by the insurance carrier.

EXHIBIT "B"
to
SAN GABRIEL RIVER DISCOVERY CENTER AUTHORITY
JOINT EXERCISE OF POWERS AGREEMENT

STAKEHOLDER PARTICIPATION AGREEMENT
BY AND BETWEEN
THE STAKEHOLDER SIGNATORIES
-AND-

THE FOLLOWING LEAD AGENCIES, JOINTLY & SEVERALLY:

THE COUNTY OF LOS ANGELES;

THE SAN GABRIEL & LOWER LOS ANGELES RIVERS & MOUNTAINS CONSERVANCY;

AND
THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

This Stakeholders' Participation Agreement (the "Participation Agreement") is executed this ____ day of _____ by and between the various entities who have become signatories to this Agreement and (collectively the "Stakeholders," individually "Stakeholder") and the following public agencies jointly and severally County of Los Angeles ("County"); the San Gabriel & Lower Los Angeles Rivers & Mountains Conservancy ("RMC"); and the Upper San Gabriel Valley Municipal Water District ("Upper District"). The County, the RMC and the Upper District are hereinafter referred to the "Lead Agency Group" for the purposes of this Participation Agreement. The term "Lead Agency Group" is to be distinguished from the term "Steering Committee" which refers to that certain governing body created pursuant to that certain *Cooperative Agreement for the Establishment of the San Gabriel River Education Center At Whittier Narrows Regional Park* (the "Cooperative Agreement") executed by the and between the Lead Agency Group members on _____, 2003. Although the Stakeholders and the Lead Agency Group may collectively be referred to as "Parties" or individually as a "Party" under this Participation Agreement, a Stakeholder or group of Stakeholders shall not be considered a "Party" or "Parties" under the Cooperative Agreement.

RECITALS

WHEREAS, the Stakeholders have an interest and desire to contribute their insight and expertise to the planning, construction and operation of an educational facility (hereinafter the "Center") the purpose of which is to (1) increase public knowledge of watershed-related environmental issues; including those related to water conservation and natural habitat preservation; and (2) increase public awareness of the rich and vibrant history of the San Gabriel River and the important role it has played in the social and economic development of the San Gabriel Valley;

WHEREAS, the Lead Agency Group and various other public-mind groups and organizations have endeavored to advance the site selection, design, construction and long-term operation of the Center; and

WHEREAS, the Stakeholders, through this Participation Agreement, desire to enter into a multi-organizational endeavor with the Lead Agency Group for the purpose bringing the aforementioned efforts to

fruition; and

WHEREAS, the purpose of this Participation Agreement is to establish and solidify the committed participation of the various Stakeholders and expand upon the rights and duties of Stakeholders in relation to the Lead Agency Group.

NOW, THEREFORE, the Stakeholders, their respective successors and assigns hereby covenant and agree as follows:

ARTICLE I

TERMS OF PARTICIPATION

1.1. General Participation Pledge: Each Stakeholder pledges its insight and expertise to the undertaking set forth in the Cooperative Agreement. Each Stakeholder agrees participate in the effort subject to the terms and conditions set forth herein.

1.2. Scope of Participation: Each Stakeholder agrees to:

- (a) Provide its insight and expertise to an advisory committee (hereinafter, the “Advisory Committee”) to that certain steering committee created under the Cooperative Agreement and any subcommittees created by the Steering Committee;
- (b) Work closely with the Advisory Committee and the Steering Committee to advance the objectives of the Cooperative Agreement;
- (c) Work closely with other community groups, governmental agencies, elected representatives and those participating on the Advisory Committee to:
 - (1) Identify funding sources for the proposed Center, including, but not limited to, grants, local, state or federal funding allocations or voluntary Stakeholder contributions;
 - (2) Assist in the solicitation of funding for the Center.

1.3 Participation Guidelines: Each Stakeholder agrees to the following:

- (a) To appoint a designated representative who shall participate on the Advisory Committee subject to the terms and conditions set forth in this Participation Agreement and with the understanding and agreement that participation on the Advisory Committee is conditioned on a prospective Stakeholder (a) receiving the unanimous approval of the Steering Committee by joint resolution; and (b) becoming a signatory to this Participation Agreement.
- (b) Subcommittees. A Stakeholder’s unexcused failure to participate by attendance of a representative at three consecutive Advisory Committee meetings shall be considered cause to terminate a Stakeholder’s status as a Stakeholder.

- (c) Each Stakeholder shall adhere to all terms and conditions set forth in this Participation Agreement and the Cooperative Agreement.
- (d) The Steering Committee, by simple majority vote, may revoke a Stakeholder's status as a Stakeholder with or without cause upon thirty (30) days prior written notice.
- (e) To submit any dispute between the Lead Agency Group or any other Stakeholder relating to this Participation Agreement or the Cooperative Agreement to binding arbitration by an arbitrator mutually agreed to between the Lead Agency Group and the Stakeholder or group of Stakeholders who are a party to the action. The Lead Agency Group and the Stakeholder or Stakeholders who are a party to the action agree to split the cost of the arbitrator.
- (f) Upon the execution of an agreement by and between the members of the Lead Agency Group setting forth a permanent governance structure for the construction, operation and maintenance of the Center, the Stakeholders agree that this Agreement shall be subordinate to the governance agreement and any inconsistencies between this Agreement and the governance agreement shall be resolved in favor of the governance agreement.
- (g) Upon the execution of an agreement by and between the members of the Lead Agency Group setting forth a permanent governance structure for the construction, operation and maintenance of the Center, the Steering Committee may be disbanded in favor of a reconstituted governance structure.

1.4. Internal Organization: Collectively, the Stakeholders shall constitute the Advisory Committee to the Steering Committee that is to be created under the Cooperative Agreement. Subject to the terms and conditions set forth in this Participation Agreement or the Cooperative Agreement, the Lead Agency Group (agrees that the Stakeholders, collectively, may create whatever internal governing structure they so choose for the Advisory Committee, provided the person elected to represent the Stakeholders on the Steering Committee is elected as follows: Each Stakeholder may vote to elect a Chair of the Stakeholder Advisory Committee who shall serve as the Stakeholders' voting representative on the Steering Committee. Each Stakeholder may only cast one (1) vote. The Advisory Committee shall also elect a Vice-Chair, who shall assume the duties of Chair in his or her absence. The Advisory Committee shall also elect a Secretary who shall record all actions taken by the Advisory Committee. The Vice-Chair and Secretary shall be elected in a manner identical to that for the election of Chair.

1.5 Advisory Committee Responsibilities: The Advisory Committee shall function in an advisory capacity to the Steering Committee on technical matters when such input is solicited. STAKEHOLDER participation on the Advisory Committee may offer varied technical skills or expertise which may provide assistance to the Steering Committee in developing the design for the Center. In addition, Stakeholder representatives may provide a valuable resource in communicating information about the CENTER to groups they represent. The Advisory Committee shall provide its recommendations to the Steering Committee through its Chair or through special presentations of its findings. All commitments, encumbrances, and key facility design decisions shall be made by the Steering Committee.

1.6 Withdrawal From Agreement: Any Stakeholder may withdraw from the Participation Agreement, without obligation, upon thirty (30) days written notice of intent to withdraw to each of the Lead

Agency Group members.

ARTICLE II

LEAD AGENCY GROUP

- 2.1. General Pledge: The Lead Agency Group agrees that it shall comply with the terms and conditions of this Participation Agreement.
- 2.2. Change of Stakeholder Status: Any Stakeholder who becomes a signatory to the Cooperative Agreement or any future permanent agreement for the governance of the Center shall cease to be a Stakeholder and may no longer participate as a Stakeholder.

ARTICLE III

MISCELLANEOUS

- 3.1. Permissible Method of Notice: Notices under this Participation Agreement shall be sufficient if addressed to the principal office of each Stakeholder and each Lead Agency Group member and shall be deemed given upon deposit in the U.S. Mail, First-Class, Postage Prepaid or upon printed confirmation of delivery by fax. All notices, statements, demands, requests, consents, approvals, authorizations, agreements, appointments or designations hereunder shall be given in writing and address to the principal office of each Stakeholder and the Lead Agency Group Member.
- 3.2. Captions and Headings: All captions and headings contained herein are for convenience only and are not to be construed as governing or modifying the language of the agreement.
- 3.3. Governing Law: This Participation Agreement is made pursuant to the laws of the State of California and shall be construed pursuant to the laws of the State of California.
- 3.4. Modification: This Participation Agreement may only be modified by mutual written agreement of all the Stakeholders and each member of the Lead Agency Group.
- 3.5. Binding Effect: This Participation Agreement shall be binding upon and shall inure to the benefit of Stakeholders and the members of the Lead Agency Group, and their respective successors and assigns.
- 3.6. Severability: If any one or more provisions of this Agreement is adjudged to be invalid, unenforceable, void or voidable by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants, and conditions of this Participation Agreement shall be valid and enforceable to the fullest extent permitted by law.
- 3.7. Non-Assignment: No Stakeholder may assign its rights or obligations under this Participation Agreement without the unanimous consent of the members of the Lead Agency Group.

- 3.8. Authorization to Sign: Each person signing this agreement on behalf of a prospective Stakeholder warrants that he or she has been duly authorized to sign on that entities behalf and bind the entity to the terms and conditions contained herein.
- 3.9. Entire Agreement: The Parties acknowledge and agree that this Participation Agreement shall constitute the final expression of their agreement with respect to the subject matter of this Participation Agreement. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein. This Participation Agreement supersedes all prior agreements and understandings between the Parties with respect to the subject matter.
- 3.10. Execution: Each prospective Stakeholder may execute by submitting the signature page of this Agreement to the offices of the Upper San Gabriel Valley Municipal Water District. Each such signature page shall attached and incorporated into the Agreement and shall remain on file with the Upper San Gabriel Valley Municipal Water District until such time as such documents are transferred to the entity responsible for administering and operating the Center.

IN WITNESS WHEREOF, the PARTIES have executed this Agreement on the date first indicated above.

STAKHOLDERS:

LEAD AGENCY GROUP:

County of Los Angeles

By: _____
 Name: _____
 Title: _____
 Organization: _____

 Date: _____

By: _____
 Name: _____
 Title: _____

 Date: _____

San Gabriel & Low Los Angeles Rivers &
 Mountains Conservancy

By: _____
 Name: _____
 Title: _____
 Organization: _____

 Date: _____

By: _____
 Name: _____
 Title: _____

 Date: _____

Upper San Gabriel Valley Municipal Water District

By: _____
 Name: _____
 Title: _____

 Date: _____